MONTANA LEGISLATIVE HISTORY

Chapter 61 19 93

Bill H 120 S _____ Original bill & history ✓ C

H. Committee on	Business & Economic Development		S. Committee on	Business & Industry	
Hearing Date(s)	Jan 14	✓ C	Hearing Date(s)	Jan 29	✓ C
	_____	___ C		Feb 02	✓ C
	_____	___ C		_____	___ C
	_____	___ C		_____	___ C
Date Out	Jan 14	✓ C		Feb 02	✓ C

Did this bill originate in an interim committee? ___ Yes ___ No

Committee _____ Report _____

HOUSE BILL NO. 120

INTRODUCED BY MASON, STANFORD, HAYNE, KELLER, TASH, WINSLOW

IN THE HOUSE

JANUARY 8, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
JANUARY 14, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 15, 1993	PRINTING REPORT.
JANUARY 16, 1993	SECOND READING, DO PASS.
JANUARY 18, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 96; NOES, 1.
	TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 20, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
	FIRST READING.
FEBRUARY 2, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
FEBRUARY 3, 1993	SECOND READING, CONCURRED IN.
FEBRUARY 4, 1993	THIRD READING, CONCURRED IN. AYES, 47; NOES, 0.
FEBRUARY 5, 1993	RETURNED TO HOUSE.

IN THE HOUSE

FEBRUARY 5, 1993	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

HB 119 INTRODUCED BY M. HANSON

CLARIFY BEER AND WINE TAX DISTRIBUTION

BY REQUEST OF DEPARTMENT OF REVENUE

1/07	INTRODUCED		
1/07	REFERRED TO TAXATION		
1/07	FIRST READING		
1/07	FISCAL NOTE REQUESTED		
1/11	FISCAL NOTE RECEIVED		
1/11	FISCAL NOTE PRINTED		
1/14	HEARING		
1/14	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/16	2ND READING PASSED	97	0
1/18	3RD READING PASSED	97	2
	TRANSMITTED TO SENATE		
1/20	FIRST READING		
1/20	REFERRED TO TAXATION		
2/04	HEARING		
2/04	COMMITTEE REPORT—BILL CONCURRED		
2/10	2ND READING CONCURRED	50	0
2/11	3RD READING CONCURRED	49	1
	RETURNED TO HOUSE		
2/15	SIGNED BY SPEAKER		
2/16	SIGNED BY PRESIDENT		
2/17	TRANSMITTED TO GOVERNOR		
2/19	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 60		
	EFFECTIVE DATE: 07/01/93		

HB 120 INTRODUCED BY MASON, ET AL.

CLARIFY RURAL ELECTRIC AND TELEPHONE COOPERATIVE PERMISSIBLE PURPOSES

1/08	INTRODUCED		
1/08	REFERRED TO BUSINESS & ECONOMIC DEVELOPMENT		
1/08	FIRST READING		
1/14	HEARING		
1/14	COMMITTEE REPORT—BILL PASSED		
1/16	2ND READING PASSED	97	0
1/18	3RD READING PASSED	96	1
	TRANSMITTED TO SENATE		
1/20	FIRST READING		
1/20	REFERRED TO BUSINESS & INDUSTRY		
1/29	HEARING		
2/02	COMMITTEE REPORT—BILL CONCURRED		
2/03	2ND READING CONCURRED	47	0
2/04	3RD READING CONCURRED	47	0
	RETURNED TO HOUSE		
2/11	SIGNED BY SPEAKER		
2/12	SIGNED BY PRESIDENT		
2/15	TRANSMITTED TO GOVERNOR		
2/19	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 61		
	EFFECTIVE DATE: 10/01/93		

House BILL NO. 120

INTRODUCED BY Wayne Stanford

Wayne Keller Bill Tash Henslow

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PERMISSIBLE PURPOSES OF RURAL ELECTRIC AND TELEPHONE COOPERATIVES; AND AMENDING SECTIONS 35-18-105 AND 35-18-106, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 35-18-105, MCA, is amended to read:

"35-18-105. Permissible purposes for incorporation. Cooperative nonprofit membership corporations may be organized under this chapter ~~for the following purposes~~:

(1) for the purpose of supplying electric energy and promoting and extending the use ~~thereof~~ of electric energy in rural areas, as provided in this chapter;

(2) for the purposes of making generally available adequate telephone service, cable television service, or broadband facilities through the improvement and expansion of existing telephone, cable television, or broadband facilities and the construction and operation of ~~such~~ additional facilities as are required to assure the availability of ~~such~~ service to the widest practicable number of users ~~thereof~~ of telephone service, cable television service, or broadband facilities; and

(3) for purposes allowable under federal authorization, including rural economic development activites."

Section 2. Section 35-18-106, MCA, is amended to read:

"35-18-106. Powers of cooperatives. A cooperative ~~shall have~~ has power to:

(1) sue and be sued in its corporate name;

(2) have perpetual existence;

(3) adopt a corporate seal and alter the same at pleasure;

(4) become a member in one or more other cooperatives or corporations or to own stock ~~therein~~ in other cooperatives or corporations;

(5) construct, purchase, take, receive, lease as lessee, or otherwise acquire and to own, hold, use, equip, maintain, and operate and sell, assign, transfer, convey, exchange, lease as lessor, mortgage, pledge, or otherwise dispose of or encumber electric transmission and distribution lines or systems, electric generating plants, electric refrigeration plants, telephone lines, facilities or systems (but not telegraph or radio broadcasting services or facilities) as defined by law, lands, buildings, structures, dams, plants and equipment, and ~~any--and~~ all kinds or classes of real or personal property ~~whatsoever~~, which ~~shall--be--deemed~~ may be considered necessary, convenient, or appropriate to accomplish the purpose for

HB 120
INTRODUCED BILL

which the cooperative is organized;

(6) purchase or otherwise acquire and own, hold, use, and exercise and sell, assign, transfer, convey, mortgage, pledge, hypothecate, or otherwise dispose of or encumber franchises, rights, privileges, licenses, rights-of-way, and easements;

(7) borrow money and otherwise contract indebtedness and issue notes, bonds, and other evidences of indebtedness ~~therefor~~ and secure the payment ~~thereof~~ of indebtedness by mortgage, pledge, deed of trust, or any other encumbrance upon ~~any or~~ all of its then owned or after-acquired real or personal property, assets, franchises, revenues, or income;

(8) construct, maintain, and operate electric transmission and distribution lines or telephone, cable television, or broadband lines, facilities, or systems along, upon, under, and across all public thoroughfares, including without limitation all roads, highways, streets, alleys, bridges, and causeways and upon, under, and across all publicly owned lands, subject, however, to the same requirements in respect of the use of ~~such~~ the thoroughfares and lands as are imposed by the respective authorities having jurisdiction ~~thereof~~ of them upon corporations constructing or operating electric transmission and distribution lines or systems or telephone lines, facilities, or systems;

(9) exercise the power of eminent domain in the manner provided by the laws of this state for the exercise of that power by corporations constructing or operating electric transmission and distribution lines or systems or telephone lines, facilities, or systems;

(10) conduct its business and exercise ~~any or~~ all of its powers within or without this state;

(11) adopt, amend, and repeal bylaws;

(12) in the case of corporations organized under the provisions of 35-18-105(1):

(a) generate, manufacture, purchase, acquire, accumulate, and transmit electric energy and distribute, sell, supply, and dispose of electric energy in rural areas to its members, to governmental agencies and political subdivisions, and to other persons not in excess of 10% of the number of its members;

(b) make loans to persons to whom electric energy is or will be supplied by the cooperative for the purpose of and otherwise to assist ~~such~~ those persons in wiring their premises and installing ~~therein~~ in their premises electrical and plumbing fixtures, appliances, apparatus, and equipment of ~~any and~~ all kinds and character and, in connection ~~therewith~~ with electrical and plumbing fixtures, purchase, acquire, lease, sell, distribute, install, and repair ~~such~~ the electrical and plumbing fixtures, appliances, apparatus,

and equipment and accept or otherwise acquire and sell, assign, transfer, endorse, pledge, hypothecate, and otherwise dispose of notes, bonds, and other evidences of indebtedness and ~~any-and~~ all types of security ~~therefor~~ for electrical and plumbing fixtures;

(c) make loans to persons to whom electric energy is or will be supplied by the cooperatives for the purpose of and otherwise to assist ~~such~~ those persons in constructing, maintaining, and operating electric refrigeration plants;

(13) in the case of corporations organized under the provisions of 35-18-105(2):

(a) improve and expand existing telephone lines, facilities, and systems and construct, acquire, operate, and furnish ~~such~~ additional telephone lines, facilities, and systems as are required to assure the availability of adequate telephone service to the widest practicable number of users ~~thereof~~ of telephone service;

(b) make loans to persons to whom telephone service is or will be supplied by the cooperative for the purpose of and otherwise to assist ~~such~~ those persons in wiring their premises for telephone service and installing ~~therein~~ in their premises telephone fixtures, appliances, apparatus, and equipment of ~~any-and~~ all kinds and character and, in connection ~~therewith~~ with telephone fixtures, purchase, acquire, lease, sell, distribute, install, and repair ~~such~~ the telephone fixtures, appliances, apparatus, and equipment and accept or otherwise acquire and sell, assign, transfer, endorse, pledge, hypothecate, and otherwise dispose of notes, bonds, and other evidences of indebtedness and ~~any~~ ~~and~~ all types of security ~~therefor~~ for telephone fixtures;

(14) do and perform ~~any-and~~ all other acts and things and have and exercise ~~any-and~~ all other powers ~~which~~ that may be necessary, convenient, or appropriate to accomplish the purpose for which the cooperative is organized or authorized under federal law."

-End-

LC 0604/01

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By **CHAIRMAN STEVE BENEDICT**, on January 14, 1993, at 9:00 A.M.

ROLL CALL

Members Present:

Rep. Steve Benedict, Chair (R)
Rep. Sonny Hanson, Vice Chair (R)
Rep. Bob Bachini (D)
Rep. Joe Barnett (R)
Rep. Ray Brandewie (R)
Rep. Vicki Cocchiarella (D)
Rep. Fritz Daily (D)
Rep. Tim Dowell (D)
Rep. Alvin Ellis (R)
Rep. Stella Jean Hansen (D)
Rep. Jack Herron (R)
Rep. Dick Knox (R)
Rep. Don Larson (D)
Rep. Norm Mills (R)
Rep. Bob Pavlovich (D)
Rep. Bruce Simon (R)
Rep. Carley Tuss (R/D)
Rep. Doug Wagner (R)

Members Excused: NONE

Members Absent: NONE

Staff Present: Paul Verdon, Legislative Council
Claudia Johnson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 120
Executive Action: HB 120

HEARING ON HB 120

Opening Statement by Sponsor:

REP. GARY MASON, House District 63, Ravalli, said HB 120 is an act to clarify the permissible purposes of rural electric and

telephone cooperatives. This bill will allow these rural cooperatives to continue economic activity and adds two lines on page 2, line 1 and 2, "(3) for purposes allowable under federal authorization, including rural economic development activities".

Proponents' Testimony:

Jay Downen, General Manager of Rural Electric and Telephone Associations, Great Falls, said these cooperatives serve about 85% of the geographic land mass of Montana and 300,000 rural Montanans. In 1935/36 the federal government came up with some boiler plate language that from that day on governed the conduct and authority of electric and telephone cooperatives, and most of that language still exists in the statutes today. Since the cooperatives were created 55 years ago they have provided a variety of community development activities for people in rural areas. The cooperatives received word from a law firm about 1½ years ago stating that the statutes do not authorize them to engage in rural economic activity providing jobs, loans, grants to small businesses on main street. HB 120 will help clean up this act so the jobs and development can continue. He said that some sewer projects and infrastructures have been placed on hold until this issue can be cleared. **SEE EXHIBIT 1**

Ron Ostberg, Director of Sun River Cooperative of Fairfield, MT, and President of the Montana Electric Cooperative of Great Falls, said the federal rural economic development program that was established by Congress in 1987 has the potential to pursue and assist with economic development projects in rural Montana. The cooperatives were used as a vehicle for the program because of the business structure. The cooperatives are owned and operated by their members, people that are serviced by these cooperatives. He said Montana needs this economic development in order to diversify some of the local economies. He said there are dozens of other projects that would create jobs that add value to the local products and make the communities more attractive and livable. But as the Montana law is currently written, it appears to be an obstacle to further rural economic development efforts. Legal opinion has called into question whether the word "economic development" is permissible under current statute. HB 120 would eliminate the cloud of uncertainty hanging over the participation of Montana cooperatives in rural economic development. He said at the present time there is $12.5 million in federal loan funds available and another possibility of $10 million in grant funds that could be available by mid March.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

Rep. Sonny Hanson asked about the language on page 2, line 1, "for the purpose allowable under federal authorization" if this phrase

includes any state laws that Montana has that may have restricted the cooperatives in past agreements between them and private companies, and by the inclusion are the cooperatives circumventing the existing laws on the state of Montana? **Jay Downen** said HB 120 refers only to allowing the cooperatives to participate in loans, grants and business activities. The territorial integrity laws in Montana provide for protection of service areas of both investor-owned utilities and rural cooperatives.

Rep. Larson asked **Jay Downen** what kind of economic activities do investor-owned utilities participate in and are they governed by state regulations. **Mr. Downen** said the investor-owned utilities recognize a strong duty as monopoly enterprises. Montana Power and U.S. West are examples of excellent programs of utilities for economic development in Montana.

Rep. Simon asked **Jay Downen** how they defined rural economic activity. **Mr. Downen** referred to exhibit 1. He said no matter what community that comes to them and asks for a loan or grant they will try to comply. **Rep. Simon** asked if there was a deficit in the economic development activities in this section of law that could guide the legislators. **Paul Verdon, Legislative Council** said he could not find anything in the MCA code, and asked Mr. Downen if he could reply. **Mr. Downen** said the statute that Mr. Verdon referred to is the enhancement of the rural areas through the provision of electric and telephone service. **Mr. Downen** said this enhancement is to be locally construed as paraphrased in the statute, i.e., when a farmer/rancher approaches the cooperative and asks for some assistance the board will usually consider this request in a yes or no manner.

Rep. Mills said under definition, federal law has changed from time to time by definition and not by law, and asked if that language could be taken out. **Jay Downen** said what had been proposed as language initially was changed by the legislative council who felt the language for purposes allowable under federal authorization gave a more complete description of the activities since the 1987 federal law under which they were providing dwellings specific about credit of monies being applied to the rural areas. He said there is a strict criteria by the REA before any of the loans or grants can be made. These loans and grants can only be used for specific purposes, i.e., they cannot be used for construction of plants that would create a duplicate facility and must be used to build a business development in rural Montana.

Closing by Sponsor:

Rep. Mason closed stating that the rural electric and telephone cooperatives have improved the standard of living of the communities in the rural areas by a considerable amount. He asked the committee to pass this legislation so they can continue to assist the members in the communities.

EXECUTIVE ACTION ON HB 120

Motion: **REP. DAILY MOVED HB 120 DO PASS.**

Discussion: None

Motion/Vote: Question was called. Voice vote was taken. Motion **CARRIED** unanimously.

Vote: **HB 120 DO PASS.** Motion **CARRIED** 18 - 0

ADJOURNMENT

Adjournment: 9:40 a.m.

STEVE BENEDICT, Chair

CLAUDIA A JOHNSON, Secretary

SB/cj

HOUSE OF REPRESENTATIVES
53RD LEGISLATURE - 1993
BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

ROLL CALL DATE 1-14-93

NAME	PRESENT	ABSENT	EXCUSED
REP. ALVIN ELLIS	✓		
REP. DICK KNOX	✓		
REP. NORM MILLS	✓		
REP. JOE BARNETT	✓		
REP. RAY BRANDEWIE	✓		
REP. JACK HERRON	✓		
REP. TIM DOWELL	✓		
REP. CARLEY TUSS	✓		
REP. STELLA JEAN HANSEN	✓		
REP. BOB PAVLOVICH	✓		
REP. VICKI COCCHIARELLA	✓		
REP. FRITZ DAILY	✓		
REP. BOB BACHINI	✓		
REP. DON LARSON	✓		
REP. BRUCE SIMON	✓		
REP. DOUG WAGNER	✓		
REP. SONNY HANSON, VICE CHAIRMAN	✓		
REP. STEVE BENEDICT, CHAIRMAN	✓		

HR:1993
wp.rollcall.man

EXHIBIT 1
DATE 1-14-93
HB 120

RURAL ECONOMIC DEVELOPMENT LEGISLATION

Bill Summary:

HB 120 would clarify Montana rural electric and telephone cooperative law by amending it to include economic development activity as a permissible purpose of incorporation.

Bill Rationale:

- Recent legal opinion has called into question whether economic development work by cooperatives is permissible under Montana law because it is not specifically authorized.
- Without specific authorization, cooperatives are hesitant to pursue dozens of economic development projects across Montana.
- Clarification would put Montana law in line with a major federal rural economic development program created for utilization by electric and telephone cooperatives.
- Assures continued activity by electric and telephone cooperatives in creating jobs, adding value to local products and making our communities more attractive and liveable.
- Puts Montana cooperatives on par with the rest of the country.

DATE 1-14-93
HB 120

MECA and MTA Member Systems Initiate Economic Development

By Mack McConnell

Rural Montana, like much of rural America, is experiencing a steady decline in population. Along with that out migration comes economic deterioration which has hurt some rural communities and decimated others. But some Montana communities have been able to stem that tide of economic troubles and have even turned it around.

Instrumental in those efforts to improve the economy and way of life in rural Montana communities are its electric and telephone cooperatives and independent systems. The following are examples of what Montana Electric Cooperatives' Association (MECA) and Montana Telephone Association (MTA) member systems have done to help rejuvenate their communities' economies:

ELECTRIC COOPERATIVES

Fall River Electric Ashton, Idaho

As a community service, Fall River Electric Cooperative donated $2,500 to the West Yellowstone School in West Yellowstone to help purchase satellite equipment. With the money donated by Fall River Electric and other businesses, a satellite dish, television set, VCR and other equipment were purchased and installed to expand the students' and teachers' access to educational programming.

Fergus Electric Lewistown

Fergus Electric Cooperative has provided engineering and in-kind assistance to promote economic development in its service area. Fergus Electric has worked with the local economic development committee on a proposal for a local straw products business, Stramit International. Another proposal calls for a new fish farm. Also, a significant economic impact is expected on the Roundup community when the large, new Meridian coal mine becomes fully operational.

Flathead Electric Kalispell

Flathead Electric Cooperative is very active in economic development through participation in the Chamber of Commerce and as members of the Flathead Economic Development Council (FEDC). FEDC has a full time director and Co-op General Manager Warren McConkey is a member of the FEDC Board of Directors.

Flathead Electric has secured two "cushion of credit" loans: One is for an infrastructure improvement to help establish the Evergreen Sewer system. The other is to Timberline-Northwest, manufacturers of clamping tools for fire hose and gas line applications. Other "cushion of credit" loans are in the works.

Technicians for Mid-Rivers Telephone Cooperative hook up fiber optic cable to Dawson Community College in Glendive, helping to create an interactive television network.

EXHIBIT
DATE 1-14-93
HB 120

MECA and MTA Member Systems Initiate Economic Development

By Mack McConnell

Rural Montana, like much of rural America, is experiencing a steady decline in population. Along with that out migration comes economic deterioration which has hurt some rural communities and decimated others. But some Montana communities have been able to stem that tide of economic troubles and have even turned it around.

Instrumental in those efforts to improve the economy and way of life in rural Montana communities are its electric and telephone cooperatives and independent systems. The following are examples of what Montana Electric Cooperatives' Association (MECA) and Montana Telephone Association (MTA) member systems have done to help rejuvenate their communities' economies:

ELECTRIC COOPERATIVES

Fall River Electric Ashton, Idaho

As a community service, Fall River Electric Cooperative donated $2,500 to the West Yellowstone School in West Yellowstone to help purchase satellite equipment. With the money donated by Fall River Electric and other businesses, a satellite dish, television set, VCR and other equipment were purchased and installed to expand the students' and teachers' access to educational programming.

Fergus Electric Lewistown

Fergus Electric Cooperative has provided engineering and in-kind assistance to promote economic development in its service area. Fergus Electric has worked with the local economic development committee on a proposal for a local straw products business, Stramit International. Another proposal calls for a new fish farm. Also, a significant economic impact is expected on the Roundup community when the large, new Meridian coal mine becomes fully operational.

Flathead Electric Kalispell

Flathead Electric Cooperative is very active in economic development through participation in the Chamber of Commerce and as members of the Flathead Economic Development Council (FEDC). FEDC has a full time director and Co-op General Manager Warren McConkey is a member of the FEDC Board of Directors.

Flathead Electric has secured two "cushion of credit" loans: One is for an infrastructure improvement to help establish the Evergreen Sewer system. The other is to Timberline-Northwest, manufacturers of clamping tools for fire hose and gas line applications. Other "cushion of credit" loans are in the works.

Technicians for Mid-Rivers Telephone Cooperative hook up fiber optic cable to Dawson Community College in Glendive, helping to create an interactive

EXHIBIT 1
DATE 1-14-93
HB 120

CIT Nemont Area Supervisor Sam Moore oversees a network of teleservicing agents by computer and telephone.

Lincoln Electric Eureka

Lincoln Electric Cooperative has been informed of the approval of a Rural Electrification Administration $70,000 zero interest loan. The loan will be used by the town of Eureka to help offset construction costs of a new storm sewer project that is being completed as part of the Highway 93 reconstruction through the town. Lincoln Electric, which is guaranteeing the loan, will be repaid by the town using gas tax revenues.

Lower Yellowstone REA Sidney

Lower Yellowstone REA is active in the Greater Richland County Economic Development Corporation. Lower Yellowstone Trustee G.B. Schmierer and Manager of Member Services Kelly Knaff are members of that corporation's board of directors. The group has just hired a full time executive director. Through the group's efforts, the offices of the Small Business Development Center and the Eastern Plains RC&D were established in Sidney. Lower Yellowstone is also helping businesses obtain development loans. With these loans, the businesses could expand and add a total of six positions to their work forces.

McCone Electric Circle

In March of this year, McCone Electric Cooperative received notification that REA has approved a loan request for a rural economic development loan in the amount of $50,000. The zero-interest loan will be used to construct an on-site medical assistance facility at the McCone County Nursing Home.

Park Electric Livingston

Park Electric Cooperative General Manager Rod Siring has served on the Park County Economic Development Corporation Board of Directors for the past six years. He served as chairman in 1989-1990. Accomplishments of that organization include: Certified Cities designation; Numerous business schools for local and prospective businesses; Federal contracts network before the Montana Commerce Department audit program; Forest Service grant for value-added product with Brand S. Lumber Company; Working on local theater auditorium for the community; Establishment of revolving fund to help new and established businesses; Working to get full time director for the development corporation.

Park Electric's staff has participated in various projects, one in particular was the Certified Cities. The staff did a county-wide survey for that project. Plant Supervisor Doug Hardy served as coordinator between Basin Electric Cooperative and the local development corporation in the federal contracts bidding project.

Sheridan Electric Medicine Lake

Sheridan Electric is active in the 16-county Eastern Plains Resource Conservation and Development District (RC&D). Sheridan is also active in support of the Eastern Plains Micro-Business Alliance. The cooperative has applied for a $100,000 grant from REA which would be used with for the operation of the marketing alliance.

Valley Electric Glasgow

Valley Electric Cooperative has taken positive steps to further rural economic development. It has worked closely with Two Rivers Development, a regional organization committed to preserving and enhancing the economy of Eastern Montana. Several employees and directors are directly involved with the organization.

Vigilante Electric Dillon

Vigilante Electric Cooperative has participated in two economic development projects to date. A $50,000 loan application was made about a year ago on behalf of Centennial Foods, which is building and operating a waxy barley plant near Dillon. Vigilante was just recently informed that the loan has been approved. The plant will eventually provide about 18 new jobs.

Vigilante Electric also participated in the relocation and upgrading of a small custom cutting sawmill from Horse

(Continued on Page 14)

EXHIBIT 1
DATE 1-14-93

ECONOMIC DEVELOPMENT

(Continued from Page 13)

Prairie 30 miles southwest of Dillon to a location just south of Dillon.

Yellowstone Valley Electric Huntley

For several years, Yellowstone Valley Electric Cooperative has worked with organizations in bringing them together for rural economic development meetings. Guest speakers were featured and grant information was presented. Several groups have been formed that are working on various grants. When any of the groups needs assistance, Yellowstone Valley Electric is there to lend a helping hand.

The cooperative purchased satellite dishes for four high schools in the area, opening doors to new educational opportunities. Communities will also be able to use the equipment for in-service training of volunteer firemen, emergency medical technicians, senior citizens and members of service organizations. The cooperative has, for the past several years, provided electrical service for the Zoo Grass Festival. Proceeds from the festival go to the ZooMontana project.

MTA MEMBER SYSTEMS

Mid-Rivers Telephone Circle

Telecommunications is helping students on Montana's eastern border thanks in large part to the efforts of Mid-Rivers Telephone Cooperative. An interactive TV (ITV) network linking high schools in Ekalaka, Baker, Plevna and Terry began operating at the beginning of the 1991-1992 school term. The students share foreign language teachers and classes for Spanish and German instruction. More ITV classes will be offered next year. The system uses fiber optic telephone cable that was installed by Mid Rivers Telephone in 1989.

This winter, ITV was also used for emergency medical technicians instructions and school administrators meetings. Miles Community College in Miles City and Dawson Community College in Glendive are establishing an ITV system that will be able to interconnect with the high school ITV system.

Nemont Telephone Scobey

This year Nemont Telephone Cooperative has joined three other telephone companies in Idaho, Wyoming and Utah and Service Development Systems in Salt Lake City, Utah to form a new company, CIT Communications. The teleservicing company employs rural people in their homes as teleservice agents. Each agent is equipped with a computer, a modem and a headset. Specialized software facilitates the gathering, recording and compilation of data. The cooperative benefits by expanding the use of its existing network and switching facilities, increasing local and long distance calling traffic and providing a greater assurance of long-term survivability and growth.

Nemont Telephone has been supportive of the Eastern Plains RC&D which coordinates economic development activities in a 16-county area. Nemont Telephone was also instrumental in the forming of the Eastern Montana Micro Business Alliance. The alliance serves the same area as Eastern Montana RC&D and will work with that organization. The alliance will join forces with similar organizations in North and South Dakota to find markets for regionally produced products. Rural electric and telephone cooperatives have agreed to help with the bid process used to find producers to manufacture products developed by the alliance.

Ronan Telephone Ronan

Ronan Telephone Company has been active in two areas of economic development in the Mission Valley. 1. It helped to get Montana Certified Community status for Ronan and the Central Mission Valley, and was a founder of the Central Mission Valley Community Development Corporation. 2. The company provided assistance ~~over the past five years~~ to Salish Kootenai College in developing SKC-TV, a network of low-power UHF television transmitters and a studio facility for SKC to provide public broadcasting system broadcasts to the Flathead Indian Reservation.

HB

Valley Rural Telephone Glasgow

Valley Rural Telephone Cooperative, its directors and staff, have been directly involved in the Two Rivers Development, a group dedicated to the improvement of Eastern Montana's Economy. Valley Rural also created a subsidiary, Computel Inc., which employs one part-time and four full-time employees. Computel Inc. offers Radio Shack products and varied services including two-way radio marketing, mobile telephone service and computer hardware and software. It is also a sales agent for CommNet 2000 cellular service. The business generates over $500,000 annually for the local economy. Valley Rural is also refurbishing a portion of one of its warehouses to provide space for a new local business. Valley Rural works closely with small and large enterprises and is currently exploring the possibility of participating in the Rural Electric Administration's loan and grant program for rural economic development.

This satellite dish and other equipment purchased with money donated by Fall River Electric Cooperative and other businesses has expanded the educational horizons of students at West Yellowstone School.

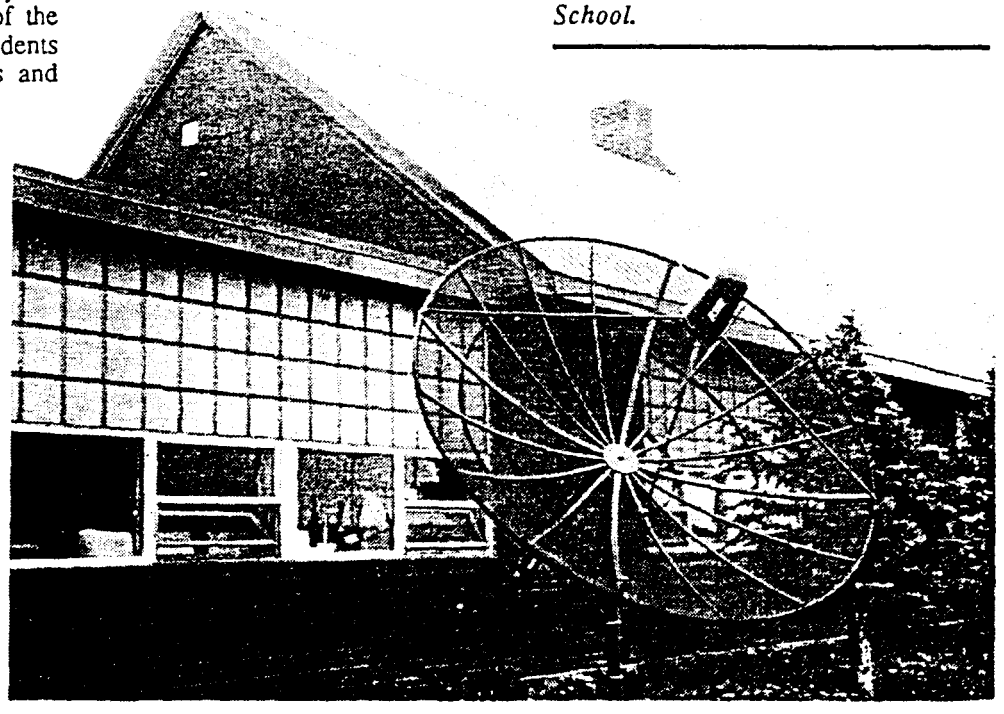

EXHIBIT 1
DATE 1-14-93
SB 120

ADDITIONAL ECONOMIC DEVELOPMENT ACTIVITIES
SPONSORED BY
MONTANA'S RURAL ELECTRIC AND TELEPHONE COOPERATIVES
AND
INDEPENDENT TELEPHONE SYSTEMS

Glacier Electric Cooperative, Cut Bank

- Funds 51 percent of the annual budget of Cut Bank's economical development organization, Glacier Action and Development Now (GAIN). GAIN has established a dialysis center in Browning, is marketing Glacier County and Cut Bank to more than 200 businesses looking to expand or relocate and brought a McDonald's restaurant to Cut Bank in 1992.

- Assisted with Cut Bank Villas, a low-income, elderly housing project.

- Participated in a feasibility study for a regional recycling center to be located in Cut Bank.

- Working with the Blackfeet Tribal Council and local oil and gas interests to establish wind energy resources and/or a co-generation facility powered by ethanol or another clean fuel source.

Missoula Electric Cooperative, Missoula

- Secured a zero-interest loan from the Rural Electrification Administration in the amount of $100,000 to help fund a community golf course in Seeley Lake. This course is being developed as part of the effort to transfer the Seeley Lake area's dependency on the timber industry to tourism, recreation and retirement services.

Yellowstone Valley Electric Cooperative, Huntley

- Presently assisting the economic development efforts of:

  Local Fire Districts

  Huntley and Shepherd sewer and water districts

  Small businesses

  Possible golf course

  Telecommunications efforts with Nemont Telephone Cooperative

EXHIBIT 1
DATE 1-14-93
HB 120

FACT SHEET ON FEDERAL REA LOAN AND GRANT PROGRAM

- Established in 1987 by Congress as an amendment to the Rural Electrification Act of 1936.

- REA provides zero-interest loans and grants to rural electric and telephone cooperatives for relending to projects promoting rural economic development and job creation.

- Funds are taken from a Cushion of Credits Payment Program, which was created through funds voluntarily deposited by cooperatives wishing to build up an interest-bearing "cushion of credit" with the federal government.

    -- Loans are made through funds directly allocated by the Congress. Amount currently available for loans now totals $12.5 million.

    -- Grants are made from the difference between interest earnings by the cooperatives and cost of money to the federal government as well as interest from loan repayments. Grant funds currently total $10 million. Grant funds are expected to become available by sometime in March.

- Local cooperatives may use the proceeds of these loans and grants to fund such diverse projects as business incubators, business expansion, industrial development parks, and new businesses.

- Under the program, rural cooperatives submit project proposals to the REA Administrator.

    -- REA then compares the competitive proposals, based on such criteria as supplemental funds, job creation, sponsorship, location, and other economic and demographic factors.

- Loans and grants range in size from $10,000 to $100,000.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

BUSINESS & EC. COMMITTEE BILL NO HB 120

DATE JAN. 14, 1993 SPONSOR(S) GARY MASON

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Ron Ostberg Fairfield, Mt.	MECA Mont Electric Coop Assn	V	
JAY DOWNEN	Rural Elec and Tel Cooperatives	✓	
Dave Wemple	Rural Elec & Tel Co-ops	✓	
[illegible]	MECA - MT Elec. Coop. Assn.	✓	
Kay Caldwell	Missouri Elec Co-op	✓	
Lucille Mills	Billings		✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE STANDING COMMITTEE REPORT

January 14, 1993

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 120 (first reading copy -- white) do pass .

Signed: _____

Steve Benedict, Chair

MINUTES

MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By J.D. Lynch, Chair, on January 29, 1993, at 10:10 a.m.

ROLL CALL

Members Present:

Sen. J.D. Lynch, Chair (D)
Sen. Chris Christiaens, Vice Chair (D)
Sen. Betty Bruski-Maus (D)
Sen. Delwyn Gage (R)
Sen. Tom Hager (R)
Sen. Ed Kennedy (D)
Sen. Terry Klampe (D)
Sen. Francis Koehnke (D)
Sen. Kenneth Mesaros (R)
Sen. Daryl Toews (R)
Sen. Bill Wilson (D)

Members Excused: Senator Harding

Members Absent: Senator Rea

Staff Present: Bart Campbell, Legislative Council
Kristie Wolter, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 108, HB 120, SB 218
Executive Action: None.

Announcement:

Chair Lynch assigned a three member subcommittee to review SB 18 and to work with the insurance industry and the Insurance Commissioners office. The members of the subcommittee are Senator Wilson (Chair), Senator Klampe, Senator Gage. They are to coordinate with the insurance commissioners office and see if they can coordinate the requests of the Insurance Commissioner into SB 18.

Chair Lynch then asked the members of the audience to go through HB 108 and HB 120 as rapidly as possible to save time for the hearing on SB 218 which will have many opponents and proponents.

board.

Senator Gage asked Rep. Bergsagel about any date other than October 1, 1993 on HB 108 which he might desire. Rep. Bergsagel answered the date was acceptable. Sen. Gage referred to subsection 5, line 1 and 2 and if there were other employee benefits which would be covered by HB 108. Rep. Bergsagel answered there are federal statutes which dictate what a trustee of a cooperative may receive. Jay Downen stated the federal statute and the IRS code prohibit any other kind of benefit.

Closing by Sponsor:

Representative Bergsagel closed stating many co-ops have already provided insurance benefits for their directors and the purpose of HB 108 is to clarify any question as to whether it is legal to provide those benefits. He stated the cooperatives would like to be up front with the people and stop hiding behind the per diem compensation. He urged the Committee's consideration on HB 108.

HEARING ON HB 120

Opening Statement by Sponsor:

Rep. Mason, House District 63, stated HB 120 assures rural electric cooperatives would have the right to continue economic development activities. HB 120 adds 2 lines on page 2 as an enabling act "for the purpose allowable under the federal administration including rural economic development activities."

Proponents' Testimony:

Bill Chapman, General Manager of the Glacier Electric Cooperative, Cutbank Montana, stated his cooperative is concerned with what has happened in their service territory with the declining tax base, the loss of jobs, businesses closing and high unemployment and have tried to do something about the situation. The cooperative got involved in the development of an economic development organization which would help improve the economic base of the co-op. He asked the Committee to support HB 120.

Jay Downen, General Manager, Electric Cooperative Association stated his support of HB 120 for clarification of the statutes as they stand.

Joel May Barker supplied testimony in support of HB 120 (Exhibit #4).

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

Rep. Mason asked the support of the Committee on HB 120 and added Senator Christiaens would carry HB 120 in the Senate.

HEARING ON SB 218

Opening Statement by Sponsor:

Senator Kennedy opened on SB 218, reading from prepared testimony (Exhibit #5).

Proponents' Testimony:

Mark Eichler, President, Montana Pharmaceutical Association, stated the pharmacists have embraced a standard of care as a standard of practice which relates to pharmaceutical care. He stated the standard of practice involves judgements and decisions to avoid, initiate, continue or discontinue drug therapy. He stated part of the pharmaceutical care is the personalized service which is received from the pharmacist and the counseling which they are required to give by the state. He stated the best way to provide the standard of care and the services is through a pharmacist. Mr. Eichler said while mail order pharmacies provide pharmacy services, he didn't feel they provided pharmacy care. Mr. Eichler asked the Committee to give the people of Montana the right to choose the personal quality of care without a penalty. He also asked that mail order pharmacies be regulated by the same rules and regulations as the pharmacies in Montana are regulated by.

Greg Deschene, Pharmacist, Butte, Montana, stated 10% of all prescriptions last year were home delivered with a predicted increase of 25%. He stated mail order services work by bidding on contracts from third party providers with the largest mail order profits coming from large corporations such as Mobil Oil, Alcoa, General Motors and General Electric. Mr. Deschene stated the mail order companies say they will keep health care costs at a managed care low. He stated the mail order pharmacies have different buying practices than a home pharmacy and supplied handouts with the cost differences between the two (Exhibit #6 and #7) pointing out the prices are approximately the same. Mr. Deschene added if a regular pharmacy was able to buy their drugs as cheaply as the mail order pharmacy, the regular pharmacy would have more savings. Mr. Deschene referred to a study done on General Motors and stated there have been no savings on mail order prescriptions. Mr. Deschene stated a Montana pharmacy has personal service 24 hours a day while a mail order pharmacy

ROLL CALL

SENATE COMMITTEE Business & Industry DATE Jan 29, 1993

NAME	PRESENT	ABSENT	EXCUSED
Senator Lynch	✓		
Senator Christaens	✓		
Senator Bruski-Maus	✓		
Senator Gage	✓		
Senator Hager	✓		
Senator Harding			✓
Senator Kennedy	✓		
Senator Klampe	✓		
Senator Kuehnke	✓		
Senator Mesaros	✓		
Senator Rea		✓	
Senator Toews	✓		
Senator Wilson	✓		

FC8

Attach to each day's minutes

TALKING POINTS

ON HB 120, RURAL ECONOMIC DEVELOPMENT LEGISLATION

- Rural electric and telephone cooperatives across Montana, thanks largely to a federal rural economic development program established by Congress in 1987, have the potential to pursue and assist with economic development projects across rural Montana.

- Rural Montana desperately needs this economic development in order to:
  - Diversify local economies
  - Stabilize the tax base
  - Create the jobs needed to halt further declines in rural Montana's population.

- Some examples of what Montana Electric Cooperatives Association and Montana Telephone Association member systems have already done to help rejuvenate their communities' economies:

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 4
DATE 1/29/93
BILL NO. HB 120

-- Vigilante Electric, serving the Dillon area, received a $50,000 federal no-interest loan for establishment of a Waxey Barley Plant 10 miles northeast of Dillon.

- Plant is in operation and the loan is being repaid to REA. 18 new jobs were created with start-up of this plant.

-- Ronan Telephone Company was a founder of the Central Mission Valley Community Development Corporation and is spearheading economic development plans in the area.

-- Nemont Telephone helped form the Eastern Montana Micro Business Alliance, which was formed to market regionally produced products.

-- Missoula Electric recently obtained a $100,000 loan from REA to construct a nine-hole public golf course in Seeley Lake, Montana.

- The loan is aimed at expanding the area's tourism, recreation and retirement potential and at the same time broadening an economic base heavily dependent on the timber industry.

- Dozens of other projects which are listed in the packets before you, would create jobs, add value to our local products and make our communities more attractive and liveable stand ready to be pursued.

- But, as currently written, Montana law appears to be an obstacle to further rural economic development efforts:

  -- Recent legal opinion has called into question whether economic development work is permissible under Montana law.

  -- Law doesn't prohibit it, just fails to specifically allow economic development activity other than electrical or telephone systems development.

- HB 120, the bill before you this morning, would eliminate the cloud of uncertainty hanging over the participation of Montana cooperatives in rural economic development.

  -- Simply put, HB 120 adds language to the Montana rural electr and telephone cooperative law including economic developme activity as a permissible purpose of the co-ops.

- HB 120 would put cooperatives back on track and back in line to compete with other cooperatives across America for federal rural economic development funds.

  -- $12.5 million in federal loan funds are available this year alone.

  -- $10 million in grant funds are expected to be available by mid-March.

- By passing HB 120, the Montana Legislature has the opportunity to bring in federal funds as a means to cost-share economic development and let cooperatives continue actively working to revitalize our rural Montana communities.

Sen B+I
Exh #4
1/29/93
HB 120

Motion/Vote:

Senator Klampe HB 108 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY. Senator Gage is to carry HB 108.

EXECUTIVE ACTION ON HB 120 This is clearly a mistake. No executive action minutes for HB 120 are mistakenly deleted.

Motion/Vote:

Senator Mesaros moved HB 120 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY.

Announcement:

Mr. Campbell stated he had put together a "gray bill" on SB 233 which changed.

Senator Bruski-Maus asked the Committee to draft a bill. She stated the problem she had was with prescription delivery. MCA 37-3-301 does not allow for prescription drugs to be delivered to the patient by any other means than the pharmacist or a licensed employee of the pharmacy. She needs to address the issue where a pharmacist who works in Glendive delivered prescriptions for people in Wibaux at a store, and the store would dispense those prescriptions or the people would pick them up. She supplied a copy of MCA 37-3-301 (Exhibit #1). She stated it had been suggested there be an intermediary between the patient and the pharmacist and the patient should also be able to name a designated person to pick up prescriptions. She asked the Committee to see the feasibility of changing the law.

Senator Kennedy stated under current law it is illegal to do the situation described above.

Senator Lynch asked if it was legal for a relative or a friend to pick up his prescription. Senator Kennedy stated that was legal and the prescription could also be mailed to him.

Senator Bruski-Maus stated the prescriptions couldn't be mailed in the situation above because of limitations with mailing on Saturdays and Sundays, or sometimes the prescription comes in after the mail has gone out.

Senator Lynch asked if the people in Wibaux could call someone they know in Glendive to pick up the prescription.

Senator Bruski-Maus stated the pharmacy was told the only way a patient could pick up a prescription was to get it himself from a designated person in the pharmacy.

Senator Klampe stated the original statement was the pharmacy couldn't send a prescription to another establishment, but then the statement was modified to say another person couldn't pick it

ROLL CALL

SENATE COMMITTEE Business & Industry DATE Feb. 2, 1998

NAME	PRESENT	ABSENT	EXCUSED
Senator Lynch	✓		
Senator Christiaens	✓		
Senator Bruski-Maus	✓		
Senator Gage	✓	✓	✓
Senator Hager	✓		
Senator Harding	✓		
Senator Kennedy	✓		
Senator Klampe	✓		
Senator Kuehnke	✓		
Senator Mesaros	✓		
Senator Rea	✓		
Senator Toles			✓
Senator Wilson	✓		

FC8

Attach to each day's minutes

SENATE STANDING COMMITTEE REPORT

February 2, 1993

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration House Bill No. 120 (first reading copy -- blue), respectfully report that House Bill No. 120 be concurred ~~in~~.

Signed: _____
Senator John "J.D." Lynch, Chair

M— Amd. Coord.
___ Sec. of Senate

_____
Senator Carrying Bill

261316SC.Sma

HOUSE BILL NO. 120

INTRODUCED BY MASON, STANFORD, HAYNE, KELLER, TASH, WINSLOW

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PERMISSIBLE PURPOSES OF RURAL ELECTRIC AND TELEPHONE COOPERATIVES; AND AMENDING SECTIONS 35-18-105 AND 35-18-106, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 35-18-105, MCA, is amended to read:

"**35-18-105. Permissible purposes for incorporation.** Cooperative nonprofit membership corporations may be organized under this chapter ~~for the following purposes~~:

(1) for the purpose of supplying electric energy and promoting and extending the use ~~thereof~~ of electric energy in rural areas, as provided in this chapter;

(2) for the purposes of making generally available adequate telephone service, cable television service, or broadband facilities through the improvement and expansion of existing telephone, cable television, or broadband facilities and the construction and operation of ~~such~~ additional facilities as are required to assure the availability of ~~such~~ service to the widest practicable number of users ~~thereof~~ of telephone service, cable television service, or broadband facilities; and

HB 0120/02

(3) for purposes allowable under federal authorization, including rural economic development activites."

Section 2. Section 35-18-106, MCA, is amended to read:

"**35-18-106. Powers of cooperatives.** A cooperative ~~shall have~~ has power to:

(1) sue and be sued in its corporate name;

(2) have perpetual existence;

(3) adopt a corporate seal and alter the same at pleasure;

(4) become a member in one or more other cooperatives or corporations or to own stock ~~therein~~ in other cooperatives or corporations;

(5) construct, purchase, take, receive, lease as lessee, or otherwise acquire and to own, hold, use, equip, maintain, and operate and sell, assign, transfer, convey, exchange, lease as lessor, mortgage, pledge, or otherwise dispose of or encumber electric transmission and distribution lines or systems, electric generating plants, electric refrigeration plants, telephone lines, facilities or systems (but not telegraph or radio broadcasting services or facilities) as defined by law, lands, buildings, structures, dams, plants and equipment, and ~~any--and~~ all kinds or classes of real or personal property ~~whatsoever~~, which ~~shall--be--deemed~~ may be considered necessary, convenient, or appropriate to accomplish the purpose for

REFERENCE BILL

which the cooperative is organized;

(6) purchase or otherwise acquire and own, hold, use, and exercise and sell, assign, transfer, convey, mortgage, pledge, hypothecate, or otherwise dispose of or encumber franchises, rights, privileges, licenses, rights-of-way, and easements;

(7) borrow money and otherwise contract indebtedness and issue notes, bonds, and other evidences of indebtedness ~~therefor~~ and secure the payment ~~thereof~~ of indebtedness by mortgage, pledge, deed of trust, or any other encumbrance upon ~~any-or~~ all of its then owned or after-acquired real or personal property, assets, franchises, revenues, or income;

(8) construct, maintain, and operate electric transmission and distribution lines or telephone, cable television, or broadband lines, facilities, or systems along, upon, under, and across all public thoroughfares, including without limitation all roads, highways, streets, alleys, bridges, and causeways and upon, under, and across all publicly owned lands, subject, however, to the same requirements in respect of the use of ~~such~~ the thoroughfares and lands as are imposed by the respective authorities having jurisdiction ~~thereof~~ of them upon corporations constructing or operating electric transmission and distribution lines or systems or telephone lines, facilities, or systems;

(9) exercise the power of eminent domain in the manner provided by the laws of this state for the exercise of that power by corporations constructing or operating electric transmission and distribution lines or systems or telephone lines, facilities, or systems;

(10) conduct its business and exercise ~~any-or~~ all of its powers within or without this state;

(11) adopt, amend, and repeal bylaws;

(12) in the case of corporations organized under the provisions of 35-18-105(1):

(a) generate, manufacture, purchase, acquire, accumulate, and transmit electric energy and distribute, sell, supply, and dispose of electric energy in rural areas to its members, to governmental agencies and political subdivisions, and to other persons not in excess of 10% of the number of its members;

(b) make loans to persons to whom electric energy is or will be supplied by the cooperative for the purpose of and otherwise to assist ~~such~~ those persons in wiring their premises and installing ~~therein~~ in their premises electrical and plumbing fixtures, appliances, apparatus, and equipment of ~~any--and~~ all kinds and character and, in connection ~~therewith~~ with electrical and plumbing fixtures, purchase, acquire, lease, sell, distribute, install, and repair ~~such~~ the electrical and plumbing fixtures, appliances, apparatus,

and equipment and accept or otherwise acquire and sell, assign, transfer, endorse, pledge, hypothecate, and otherwise dispose of notes, bonds, and other evidences of indebtedness and ~~any-and~~ all types of security ~~therefor~~ for electrical and plumbing fixtures;

(c) make loans to persons to whom electric energy is or will be supplied by the cooperatives for the purpose of and otherwise to assist ~~such~~ those persons in constructing, maintaining, and operating electric refrigeration plants;

(13) in the case of corporations organized under the provisions of 35-18-105(2):

(a) improve and expand existing telephone lines, facilities, and systems and construct, acquire, operate, and furnish ~~such~~ additional telephone lines, facilities, and systems as are required to assure the availability of adequate telephone service to the widest practicable number of users ~~thereof~~ of telephone service;

(b) make loans to persons to whom telephone service is or will be supplied by the cooperative for the purpose of and otherwise to assist ~~such~~ those persons in wiring their premises for telephone service and installing ~~therein~~ in their premises telephone fixtures, appliances, apparatus, and equipment of ~~any-and~~ all kinds and character and, in connection ~~therewith~~ with telephone fixtures, purchase, acquire, lease, sell, distribute, install, and repair ~~such~~

the telephone fixtures, appliances, apparatus, and equipment and accept or otherwise acquire and sell, assign, transfer, endorse, pledge, hypothecate, and otherwise dispose of notes, bonds, and other evidences of indebtedness and ~~any~~ ~~and~~ all types of security ~~therefor~~ for telephone fixtures;

(14) do and perform ~~any-and~~ all other acts and things and have and exercise ~~any-and~~ all other powers ~~which~~ that may be necessary, convenient, or appropriate to accomplish the purpose for which the cooperative is organized or authorized under federal law."

-End-